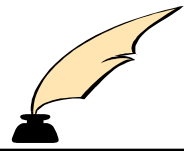


Accountants' Notes



Volume 13, Issue 8

August 2011

IMPORTANT UPCOMING FILING DATES

July Sales Tax	August 23
Bureau of Workers' Compensation Reports*	August 30
3rd Qtr Individual IRS Estimated Payments	September 15
3rd Qtr Individual State/Local Estimated Payments	September 15
C-Corporation Extended Return**	September 15
S-Corporation Extended Return**	September 15
Partnership Extended Return**	September 15
Individual Tax Return Extended Return**	October 17
Trust Tax Return Extended Return**	October 17

*1st and 2nd Qtr payroll information to WRA before August 9 for timely filing.

**Final Extension; information to WRA as soon as possible

WHAT IS OHIO USE TAX?

It is imposed on purchasers of taxable products or services in states where the seller did not collect the Ohio sales tax when the product or service was purchased.

Example: A law firm purchases laptop computers from an out-of-state Internet retailer. The retailer did not collect Ohio sales tax. Your business is required to file an Ohio use tax return and pay the proper Ohio tax to the Ohio Department of Taxation because the seller did not collect the appropriate Ohio sales tax.

Does Your Business Have an Ohio Use Tax Account?

If not, be prepared for an audit by the Ohio Department of Taxation. Every business in Ohio should have an Ohio use tax account. If your business does not, you should immediately determine options to mitigate tax exposure. If you have not filed use tax returns in the past, your liability could be several years of back taxes, plus penalties and interest.

Many businesses are unaware of the use tax, which serves as a complement to the Ohio sales tax. The use tax is intended, in part, to protect Ohio-based businesses by prohibiting Ohioans from avoiding sales tax by merely purchasing items from another state and then importing the products to Ohio. The use tax is also imposed on a purchaser from an in-state seller where the in-state seller did not realize its product or service was taxable for Ohio sales tax purposes. Almost all states have a use tax similar to the Ohio use tax. Therefore, those businesses with presence in multiple states should consider a use tax account in each state where the business has a presence.

Service Industries Targeted: Ohio Department of Taxation has recently targeted service industries, including accounting firms and law firms to inquire whether they have a use tax account. Proactive planning can limit the amount of "look-back" years of exposure.

Ohio Department of Taxation has recently announced the launch of its Use Tax Education Program (UTEP) which will educate Ohio businesses about their responsibility to remit use tax. The Department will also identify businesses that should be registered for use tax and contact them about their responsibility to remit use tax.

ODT LAUNCHES USE TAX EDUCATION

Through August 1 any business that comes forward, signs a voluntary Disclosure Agreement through the Use Tax Program and pays its use tax bill will only be liable for up to three years back tax and interest.

ODT will then begin sending out letters to targeted businesses advising them about UTEP encouraging them to come forward. Any business that receives a letter and contacts ODT will have its use tax liability limited to no more than four years back tax and interest.

Any business that fails to respond will be audited or sent a bill that estimates how much tax it may owe and could be liable for up to seven years back tax plus penalty and interest.

Businesses interested in participating in the Voluntary Disclosure Program or finding out more about UTEP can visit tax.ohio.gov for more information or contact ODT at 614-466-7351.

Please call our office if we can assist you.

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Pick up a newspaper or advertisement.....what do you see?

“Back-to-School Sale”



The school supplies list seems to get longer and longer each year as the school districts try to cut their costs. Even with the tremendous sales that are offered, the costs keep going up and up and for families with multiple children, sometimes the costs can be overwhelming.

Unfortunately, when the times comes for your child to head off to college you are not going to receive any information from their college of choice offering a “Back-to-School Sale” on the tuition costs. How do you plan to pay for your child's college?

As we continue with our “Because We Care” FREE informational seminars, our topic for the month of September is

“Is your family prepared to pay for college?”

September 13th 5:30 – 6:30 p.m.

or

September 15th 8:30 – 9:30 a.m.

Learn how to plan ahead financially for the big event.

Should you invest today OR borrow tomorrow? When you have a future goal for which a large sum of money is needed, you ordinarily have two choices as to how to obtain it: *investing or borrowing*. When investing, your total outlay is generally less than the amount needed; if borrowing, the total is always more.

Who should attend a seminar on this topic?

Parents

Grandparents

Adults who want to save for their own college education.



RSVP to Courtney – 614-837-8291

Limited Seating – call to reserve your spot!!

**All Seminars will be held at our Pickerington Office
692 Hill Road North, Pickerington**